



CERTIFICATE OF AUTHENTICITY

I, Gary A. Clark, do hereby certify that:

1. I am a partner in the law firm of Sheppard, Mullin, Richter &

Hampton LLP, 333 South Hope Street, 48th Floor, Los Angeles, California 90071-1448.

2. I am a member in good standing of the State Bar of California.

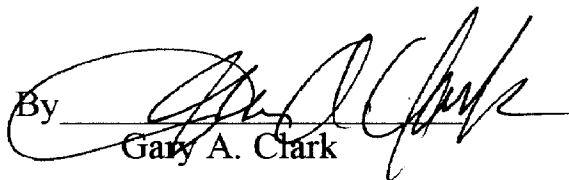
3. The attached copy of a Trademark and Patent Security Agreement,

by which Kreativ, Inc. ("Grantor") grants a security interest to Welch Allyn, Inc.

("Secured Party"), is a true and correct copy of the original Trademark and Patent

Security Agreement, which was executed by them as of January 25, 1999.

Dated this 17<sup>K</sup> day of February, 1999, at Los Angeles, California, U.S.A.

By   
Gary A. Clark

## TRADEMARK AND PATENT SECURITY AGREEMENT

AGREEMENT made as of the 25th day of January, 1999, between KREATIV, INC. ("Grantor"), having an office at 9025 Balboa Avenue, San Diego, California 92123, and WELCH ALLYN, INC., having an office at 4341 State Street Park, Skaneateles Falls, New York 13153 ("Secured Party").

### 1. SECURITY INTEREST

WHEREAS, Grantor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Schedule A annexed hereto, and the patents and applications therefor described in Schedule B annexed hereto and made a part hereof; and

WHEREAS, Secured Party has agreed to enter into financing arrangements with Grantor, pursuant to a Loan and Security Agreement (the "Loan Agreement") (the Loan Agreement, together with this Agreement, and all other related documents, agreements, instruments or notes, as the same may now exist or may hereafter be amended or supplemented, are collectively referred to herein as the "Agreements").

NOW, THEREFORE, in order to induce Secured Party to enter into the Agreements and in consideration thereof, Grantor hereby grants to Secured Party a security interest in: (a) all of Grantor's now existing or hereafter acquired right, title, and interest in and to all of Grantor's trademarks, trade names, trade styles and service marks; all prints and labels on which said trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof but limited to those trademarks, terms, design and applications which are described in Schedule A hereto (the "Trademarks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) all of Grantor's now existing or hereafter acquired right, title and interest in and to: all of Grantor's interests in any patents, whether foreign or domestic; all applications, registrations and recordings relating to such patents in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, any political subdivision thereof and all reissues, extensions and renewals thereof, including, without limitation, those patents, applications, registrations and recordings described in Schedule B hereto (the "Patents"); and (d) any and all proceeds of any of the foregoing, including, without limitation, any claims by Grantor against third parties for infringement of the Trademarks, Patents or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

## 2. OBLIGATIONS SECURED

The security interests granted to Secured Party in this Agreement shall secure the prompt and indefeasible payment and performance of all now existing and future obligations, liabilities and indebtedness of Grantor to Secured Party of every kind, nature and description, including without limitation, the obligations and indebtedness owing pursuant to the Loan Agreement (all the foregoing hereinafter referred to as "Obligations").

## 3. WARRANTIES AND COVENANTS

Grantor hereby covenants, represents and warrants that (all of such covenants, representations and warranties being continuing in nature so long as any of the Obligations are outstanding):

A. Grantor will pay and perform all of the Obligations according to their terms.

B. All of the existing Collateral is valid and subsisting in full force and effect to Grantor's knowledge, and Grantor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Grantor will, at Grantor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting and registered trademarks and patents including without limitation the filing of any renewal affidavits and applications. Except as provided in Schedule C, the Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests, or encumbrances of any nature whatsoever except the security interests granted hereunder.

C. Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except to Secured Party, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party.

D. Grantor will, at Grantor's expense, perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Grantor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral signed only by Secured Party. Grantor further authorizes Secured Party to have this or any other similar Security Agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

E. Grantor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party three (3) originals of a Power of Attorney in the form of Exhibit 1 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will not exercise the Power of Attorney unless and until there is an Event of Default (defined below).

F. Secured Party may, in its sole discretion, pay any amount or do any act which Grantor fails to pay or do as required hereunder or as requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Grantor will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by Grantor from Secured Party, and shall be payable on demand together with interest at the rate set forth in the Agreements and shall be part of the Obligations secured hereby.

G. As of the date hereof, Grantor does not have any Trademarks or Patents registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedules A and B annexed hereto.

H. Grantor shall notify Secured Party in writing of the filing of any application for the registration of a Trademark or Patent with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein within thirty (30) days of such filing. Upon request of Secured Party, Grantor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents, and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark or Patent.

I. Grantor has not abandoned any of the Trademarks or Patents material to the conduct of the business and Grantor will not do any act, nor omit to do any act, whereby the Trademarks or Patents may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Grantor shall notify Secured Party immediately if Grantor knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

J. Grantor will render any assistance, as Secured Party may determine is necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Trademarks or Patents as Grantor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

K. Grantor will promptly notify Secured Party if Grantor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark or of any use any person of any other process or product which infringes upon any Patent or Trademark. If requested by Secured Party, Grantor, at Grantor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks or Patents.

L. Grantor assumes all responsibility and liability arising from the use of the Trademarks or Patents by Grantor, and Grantor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Grantor (or any affiliate or subsidiary thereof) in connection with any Trademark and Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Grantor (or any affiliate or subsidiary thereof).

M. Prior to an Event of Default, Secured Party hereby grants to Grantor the exclusive nontransferable right and license to use the Trademarks and the goodwill of the business symbolized by the marks for Grantor's own benefit. Grantor will maintain the quality of the products associated with the Trademarks at a level consistent with the quality at the time of this Agreement. Grantor will not change the quality of the products associated with the Trademarks without the Secured Party's prior written consent. Grantor hereby grants to Secured Party the right to visit Grantor's plant and facilities which manufacture or store products sold under any of the Trademarks and to inspect the products and quality-control records relating thereto at any time during regular business hours, or at such other times as Secured Party may reasonably request.

#### 4. EVENTS OF DEFAULT

All Obligations shall, at Secured Party's option, become immediately due and payable without notice of demand upon the occurrence of any of the following events of default ("Events of Default"):

A. Grantor fails to pay or perform any Obligations when due.

B. Grantor defaults in the observance or performance of any agreements, covenants or conditions contained herein or in any of the Agreements or in any other document or instrument referred to herein or therein.

C. Any present or future representation or warranty made by or on behalf of the Grantor, whether contained herein or in any of the other Agreements or in any other document or instrument referred to herein or therein in connection with any of the transactions contemplated herein or therein, shall be false or incorrect in any material respect.

D. Any other event of default pursuant to the Agreements shall have occurred, including, but not limited to, any event of default under the Loan Agreement.

#### 5. RIGHTS AND REMEDIES

Upon the occurrence of any such Event of Default and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under law, the Agreements or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Grantor except as such notice or consent is expressly provided for hereunder.

A. Secured Party may require that neither Grantor nor any affiliate or subsidiary of Grantor make any use of the Trademarks or any marks similar thereto or any Patent for any purpose whatsoever. Secured Party may make use of any Trademarks or Patents for the sale of goods, or rendering of services in connection with enforcing any other security interest granted to Secured Party by Grantor or any subsidiary of Grantor.

B. Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

C. Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Grantor with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, Grantor shall be liable for any deficiency.

D. In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 5C hereof, Secured Party may at any time execute and deliver on behalf of Grantor, pursuant to the authority granted in the Powers of Attorney described in subparagraph 3E hereof, one or more instruments of assignment of the Trademarks or Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. Grantor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

E. Secured Party may apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its sole discretion determine. Grantor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Grantor will pay Secured Party on demand any such unpaid amount, together with interest at the default rate set forth in the Loan Agreement.

F. In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Grantor shall supply to Secured Party or Secured Party's designee Grantor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks or to which the Patents relate and Grantor's customer lists and other records relating to the Trademarks and Patents and the distribution thereof.





shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

F. The security interest granted to Secured Party shall terminate and the Collateral will be reassigned to Grantor, at Grantor's sole expense, upon termination of the Loan Agreement and indefeasible payment in full to Secured Party of all Obligations thereunder.

G. THE VALIDITY, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF CALIFORNIA. GRANTOR HEREBY IRREVOCABLY CONSENTS AND SUBMITS IN ADVANCE TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED IN THE SOUTHERN DISTRICT OF CALIFORNIA, TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE OTHER AGREEMENTS OR TO ANY MATTER ARISING THEREFROM IN ANY SUCH ACTION OR PROCEEDING. GRANTOR AGREES THAT SERVICE OF SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE OUTSIDE THE SOUTHERN DISTRICT OF CALIFORNIA BY REGISTERED OR CERTIFIED MAIL, ADDRESSED TO THE GRANTOR AT THE ADDRESS SET FORTH HEREIN OR IN SUCH OTHER MANNER AS MAY BE PERMISSIBLE UNDER THE RULES OF SAID COURTS.

H. THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT WHETHER ARISING OUT OF, UNDER OR BY REASON OF THIS AGREEMENT, THE OTHER AGREEMENTS OR ANY MATTER OR PROCEEDING RELATING THERETO.

IN WITNESS WHEREOF, Grantor and Secured Party have executed this Agreement as of the day and year first above written.

Grantor:

KREATIV, INC.

By: *Leslie Oey*

Title: CEO

SECURED PARTY

WELCH ALLYN, INC.

By: *Megan Radt*

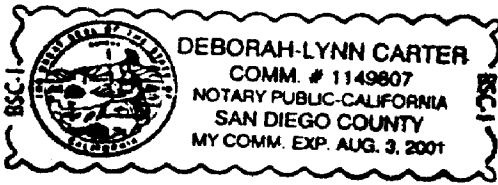
Title: Vice President

State of California )  
 )  
County of San Diego )

On 1-27-99 before me, the undersigned, Notary Public,  
personally appeared Lee J. Milroy

personally known to me or  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Deborah Lynn Carter

State of ~~California~~ New York )  
Onondaga )  
County of ~~San Diego~~ )

On Jan. 28, 1999 before me, Sarah D. Cates, Notary Public,  
personally appeared M. Jack Rudnick

personally known to me or  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

**SARAH D. CATES**  
Notary Public, State of New York  
No. 02CA5067053  
Qualified in Onondaga County  
Commission Expires 10-7-2000

Sarah D. Cates

EXHIBIT I

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN DIEGO )

ss.:

KNOW ALL MEN BY THESE PRESENTS, that KREATIV, INC. (hereinafter "Grantor"), hereby appoints and constitutes WELCH ALLYN, INC. ("Secured Party"), and each officer thereof, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Grantor;

1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its sole discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all of right, title, and interest of Grantor in and to any trademarks or patents and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its sole discretion, deems necessary or advisable to further the purposes described in subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark and Patent Security Agreement between Grantor and Secured Party of even date herewith (the "Security Agreement") and may not be revoked until indefeasible payment in full of all Grantor's "Obligations", as such term is defined in the Security Agreement.

Dated as of January 26, 1999.

KREATIV, INC.

By: Lesunicy

Title: CEO

SCHEDULE A  
to  
TRADEMARK AND PATENT SECURITY AGREEMENT

Trademarks / Service Marks

<u>Trademark/ Service Mark</u>	<u>Application No./ Registration No.</u>	<u>Filed/ Registered</u>
K and Design	2,007,999	10/15/96
Kreativ	2,064,883	5/27/97
Kleanair & Design	2,062,372	5/13/97
Kuring Light	75/392,278	11/18/97
Gammature	75/383,291	11/3/97
Microdentistry	75/446,544	3/9/98
Power Gel	75/446,513	3/9/98

SCHEDULE B  
to  
TRADEMARK AND PATENT SECURITY AGREEMENT

Patents and Applications

<u>Title</u>	<u>Application No./ Patent No.</u>	<u>Filed/ Issued</u>
Process for the removal of soft tooth decay using a unique abrasive fluid stream	5,601,430	2/11/97
Supersonic Converging-Diverging Nozzle	08/821,976	3/13/97
Abrasive Dental Composition and Method for Use	08/873,526	6/12/97
Dental Instrument & Processes	08/975,438	11/21/97
Multipurpose Dental Lamp Apparatus	09/004217	1/8/98
Dental Bleaching Compositions, A Kit, and Methods	PCT/US 98/02933	2/17/98
Apparatus and Method for Particle Feeding by Pressure Regulation	09/172327	10/13/98

SCHEDULE C  
to  
TRADEMARK AND PATENT SECURITY AGREEMENT

Permitted Licenses

NONE